

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

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NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

COMPANY INFORMATION

Directors	A Fitzmaurice G Halder
Registered number	05603122
Registered office	6 th Floor 18 King William Street London EC4N 7BP United Kingdom
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Donington Court Pegasus Business Park Herald Way East Midlands DE74 2UZ

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2014

The directors present their strategic report on the company for the year ended 31 August 2014.

Principal activity and review of business

The principal activity of the company during the year was that of an intermediate holding company. The company did not trade during the year or the preceding year. The only movement through the profit and loss account related to the foreign exchange movement on the revaluation of inter-company balances and bank interest income.

As shown by the balance sheet on page 8, the net liabilities of the company at the end of the year have increased by £83,271 to £4,047,040.

The Company is a subsidiary undertaking of a consolidated Group headed by its ultimate parent undertaking, Nord Anglia Education Inc. The directors of Nord Anglia Education Development Services Limited and Nord Anglia Education Inc manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators of the company is not necessary or appropriate for an understanding of the development, performance or position of the business.

The development, performance and position of the Learning Services Division of Nord Anglia Education Inc, which includes Nord Anglia Education Development Services Limited, is discussed in the group's annual report for the year ended 31 August 2014. The financial statements are now publicly available on the SEC website Edgar system in Form F1 for this company.

Results

The result for the financial year amounted to a loss of ££83,271 (2013 – profit £13,771).

Principal risks and uncertainties

The directors of Nord Anglia Education Inc manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of Nord Anglia Education Development Services Limited's business.

The principal risks and uncertainties of Nord Anglia Education Inc, which include those of the company, are discussed in the group's annual report which does not form part of this report.

On behalf of the Board:



G Halder
Director

Date: 26 March 2015

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2014

The directors present their report and the audited financial statements of the company for the year ended 31 August 2014.

Dividends

The company did not pay an interim dividend during the year (2013 - £nil). The directors do not recommend the payment of a final dividend (2013 - £nil)

Future Developments

The company will remain a non trading holding company going forward.

Directors

The directors who served during the year and up to the date of signing of the financial statements were:

A Fitzmaurice
G Halder

Qualifying third party indemnity provisions

Throughout the year and up to the date of signing of the financial statements a qualifying third party indemnity provision was in place for the directors of the company. This covers liability for the actions of directors and officers of the company and associated costs including legal costs.

Going concern

The directors have reviewed the latest guidance relating to going concern, and having made all relevant enquiries, have formed a judgement at the date of the approval of the financial statements that the company has adequate resources at its disposal to continue its operations for the foreseeable future, which is considered to be a period of at least 12 months from the date of signing the financial statements.

Charitable and political donations

All charitable and political donations made during the year have been disclosed within the ultimate parent company's consolidated financial statements and therefore do not need disclosure within the company's financial statements.

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, the following applies:

- so far as the director is aware there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board:



G Halder
Director

Date: 26/03/15

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 August 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Nord Anglia Education Development Services Limited, comprise:

- the balance sheet as at 31 August 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED (continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



David Teager BSc(Hons) FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
/ April 2015

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Administrative expenses		(83,284)	13,755
OPERATING (LOSS)/PROFIT	2	(83,284)	13,755
Interest receivable and similar income		13	16
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(83,271)	13,771
Tax on (loss)/profit on ordinary activities	5	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	10	(83,271)	13,771

All amounts relate to continuing operations.

There are no recognised gains or losses for the financial years stated above and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial years stated above and their historical cost equivalents.

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

**BALANCE SHEET
AS AT 31 AUGUST 2014
(Registered number: 05603122)**

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Investments	6		-		-
CURRENT ASSETS					
Debtors	7	1,409,490		1,484,106	
Cash at bank and in hand		11,124		23,843	
		<u>1,420,614</u>		<u>1,507,949</u>	
CREDITORS: amounts falling due within one year	8	(5,467,654)		(5,471,718)	
NET CURRENT LIABILITIES			(4,047,040)		(3,963,769)
TOTAL ASSETS LESS CURRENT LIABILITIES			(4,047,040)		(3,963,769)
CAPITAL AND RESERVES					
Called up share capital	9		1		1
Profit and loss account	10		(4,047,041)		(3,963,770)
TOTAL SHAREHOLDERS' DEFICIT	11		(4,047,040)		(3,963,769)

The financial statements on pages 7 to 14 were approved by the Board of directors on 26 March 2015 and were signed on its behalf by:



G Halder
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies are set out below and have been applied consistently throughout the year.

The company is a wholly-owned subsidiary of Nord Anglia Education Inc and is included in the consolidated financial statements of Nord Anglia Education Inc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The balance sheet shows that liabilities exceed assets by £4,047,040. Nord Anglia Education Inc has confirmed that it will maintain its financial support for the foreseeable future to enable the company to continue normal operations.

The directors have considered the future forecasts and ongoing strategy when assessing the needs of the group and consider the group has adequate resources at its disposal to continue its operations for the foreseeable future.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group, headed by Nord Anglia Education Inc, whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 1 (revised 1996) 'Cash flow statements'.

1.3 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.4 Foreign exchange

Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denoted in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date.

Exchange gains and losses are recognised in the profit and loss account.

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

1. ACCOUNTING POLICIES (continued)

1.5 Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after (charging)/crediting:

	2014	2013
	£	£
Foreign exchange (losses)/gains	(74,164)	12,107

3. AUDITORS' REMUNERATION

Auditors' remuneration for the audit of the company's financial statements £2,100 (2013 - £2,000) has been borne by another group company.

4. STAFF COSTS

The company has no employees (2013 - none) other than its directors who did not receive any emoluments (2013 - £nil) during the year.

Directors' emoluments (including compensation for loss of office) are paid by an intermediate parent company.

The average monthly number of employees, including the directors, during the year was 2 (2013 - 2).

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

5. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2014	2013
	£	£
Analysis of tax in the year		
Current tax		
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher (2013 – lower) than the standard rate of corporation tax in the UK of 22.16% (2013 – 23.58%). With effect from 1 April 2014 the UK corporation tax rate changed from 23% to 21%. The rate of 22.16% used for the year ended 31 August 2014 (2013 – 23.58%) is calculated on a time apportioned basis for these respective rates.

	2014	2013
	£	£
(Loss)/Profit on ordinary activities before taxation	(83,271)	13,771
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.16% (2013 – 23.58%)	(18,453)	3,247
Effects of:		
Transfer pricing adjustments	5,509	(42,034)
Losses carried forward	-	38,787
Group relief not paid for	12,944	-
Total current tax charge for the year	-	-

Factors affecting future tax charges

The Budget in March 2013 announced a reduction in the UK corporation tax rate from 23% to 21% effective from 1 April 2014, and a further reduction in the UK corporation tax to 20% effective from 1 April 2015. These changes were substantively enacted on 2 July 2013.

The company has an unrecognised deferred tax asset of £28,488 at 31 August 2014 (2013 - £61,715). The directors do not believe that this asset will be recovered in the short to medium term against future profits of this company

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

6. INVESTMENTS

	Shares in group undertakings
	£
Cost:	
At 1 September 2013 and 31 August 2014	4,777,664
Impairment	
At 1 September 2013 and 31 August 2014	4,777,664
Net book value	
At 31 August 2013 and 31 August 2014	-

The above investment represents 100% ownership of the ordinary share capital of Nord Anglia Middle East Holdings SPC, a company registered in Bahrain whose principal activity is that of a holding company.

Due to the investment in Nord Anglia Middle East Holdings SPC, the company has an indirect investment in Nord Anglia Educational Consultancies Saudi Arabia Limited, a company incorporated in The Kingdom of Saudi Arabia and also indirect investments in Brighton Education Learning Services Sdn.Bhd and Nord Anglia Education Sdn.Bhd, both of these companies are incorporated in Malaysia.

7. DEBTORS

Amounts falling due within one year	2014 £	2013 £
Amounts owed by group undertakings	1,409,490	1,484,106
	1,409,490	1,484,106

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

8. CREDITORS: amounts falling due within one year

	2014 £	2013 £
Amounts owed to group undertakings	5,462,647	5,466,711
Other creditors	4,507	4,507
Accruals and deferred income	500	500
	<hr/> 5,467,654	<hr/> 5,471,718

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Allotted and fully paid		
1 Ordinary share (2013 – 1) of £1 each	<hr/> 1	<hr/> 1

10. PROFIT AND LOSS ACCOUNT

	£
At 1 September 2013	(3,963,770)
Loss for the financial year	(83,271)
	<hr/>
At 31 August 2014	(4,047,041)

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' (DEFICIT)

	2014 £	2013 £
Opening shareholders' deficit	(3,963,769)	(3,977,540)
(Loss)/Profit for the financial year	(83,271)	13,771
	<hr/>	<hr/>
Closing shareholders' deficit	(4,047,040)	(3,963,769)

NORD ANGLIA EDUCATION DEVELOPMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

12. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard 8 – 'Related party disclosures', the company, as a wholly owned member of the group, has utilised the exemption of not disclosing details of transactions with other group companies.

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is NA Educational Services Limited.

The intermediate parent undertaking is Nord Anglia Education (UK) Holdings plc, a company incorporated in England and Wales.

Nord Anglia Education Inc is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 August 2014. The financial statements are now publicly available on the SEC website Edgar system in Form F1 for this company

The ultimate controlling party is Baring Private Equity Asia.